

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 23-10063-SHL

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5 In the Matter of:

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7 GENESIS GLOBAL HOLDCO, LLC,

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9 Debtor.

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12 United States Bankruptcy Court

13 300 Quarropas Street, Room 248

14 White Plains, NY 10601

15

16 February 6, 2023

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21 B E F O R E :

22 HON SEAN H. LANE

23 U.S. BANKRUPTCY JUDGE

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25 ECRO: ART

1 HEARING re Status Conference

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 KIRKLAND & ELLIS LLP

4 Attorneys for the Ad Hoc Group of Creditors

5 601 Lexington Avenue

6 New York, NY 10022

7

8 BY: ROSS FIEDLER

9

10 CLEARY GOTTlieb STEEN & HAMILTON LLP

11 Attorneys for the Debtors

12 One Liberty Plaza

13 New York, NY 10006

14

15 BY: SEAN A. O'NEAL

16 JANE VANLARE

17

18 WEIL, GOTSHAL & MANGES LLP

19 Attorneys for Digital Currency Group, Inc.

20 767 Fifth Avenue

21 New York, NY 10153

22

23 BY: JEFFREY SAFERSTEIN

24

25

1 HUGHES HUBBARD & REED LLP

2 Attorneys for Gemini Trust Company, LLC, as Agent

3 One Battery Park Plaza

4 New York, NY 10004

5
6 BY: ANSON B. FRELINGHUYSEN

7
8 UNITED STATES DEPARTMENT OF JUSTICE

9 Attorneys for the U.S. Trustee

10 201 Varick Street, Suite 1006

11 New York, NY 10014

12
13 BY: GREG ZIPES

14
15 PROSKAUER ROSE LLP

16 Attorneys for Ad Hoc group of Genesis Customers

17 Eleven Times Square

18 New York, NY 10036

19
20 BY: BRIAN ROSEN

21
22 ALSO PRESENT TELEPHONICALLY:

23 PHILIP ABELSON

24 RICHARD ARCHER

25 PAUL ARONZON

1 SABRINA BREMER
2 JESSI BROOKS
3 CHRISTINE CALDERWOOD
4 BIANCA CASTRO
5 CINDI GIGLIO
6 ADAM J. GOLDBERG
7 EDUARDO GUTARRA
8 AUTUMN HIGHSMITH
9 GREG HILL
10 DAVID HOLLERITH
11 DERAR ISLIM
12 HOO RI KIM
13 XX LIU
14 KEN LUKASZEWSKI
15 CHRISTOPHER MARCUS
16 JEFFREY S. MARGOLIN
17 KYLE MCKUHEN
18 MARCY J. MCLAUGHLIN SMITH
19 RICHARD CHESTER MINOTT
20 GREGORY F. PESCE
21 ISABEL PINHO
22 AMELIA POLLARD
23 STEVEN J. REISMAN
24 CHRISTIAN RIBEIRO
25 SHAYA ROCHESTER

1 JASON H. ROSELL
2 J. CHRISTOPHER SHORE
3 DUSTIN P. SMITH
4 GORDON SUN
5 JOSHUA SUSSBERG
6 BENJAMIN TAYLOR
7 DAVID TURETSKY
8 FRANCISCO VAZQUEZ
9 CHRISTOPHER WARD
10 MICHAEL WEINBERG
11 ALISON R. AMBEAULT
12 ERIC ASQUITH
13 NEGISA BALLUKU
14 BRENDON BARNWELL
15 BRIANNA B. BILTER
16 BRIAN BULTHUIS
17 DONALD BURKE
18 DAVID CHAN
19 AARON CHANDLER
20 RYAN CHEN
21 AARON CHANDLER
22 CATHERINE CHOE
23 TOM CONHEENEY
24 COURTENAY CULLEN
25 BRANDON CURLEY

1 YANN RICHARD DESCHAMPS
2 NIKHILESH DE
3 JARED DERMONT
4 JASON DIBATTISTA
5 MICHAEL DIYANNI
6 THOMAS DIRCKS
7 LEIA DORAN
8 JAMES V. DREW
9 MATTHEW ALLEN FELDMAN
10 SCOTT FLAHERTY
11 DANIEL ISAAC FORMAN
12 JULIA FOSTER
13 KIMBERLY GIANIS
14 UDAY GORREPATI
15 JASON GOTTLIEB
16 BRANDON HAMMER
17 CHRIS HAND
18 SANDALI HANDAGAMA
19 LOREN HARMAN
20 MIRANDA HATCH
21 JEREMY C. HILL
22 BART HOYNG
23 ERIN HUDSON
24 ZUL JAMAL
25 ALEXANDER JANHORBANI

1 KEEFE JOHNSON
2 OLGA KHARIF
3 PAUL KINEALY
4 BARAK KLEIN
5 DIETRICH KNAUTH
6 GLEN KRATOCHVIL
7 KONRAD LAESSER
8 HANNAH LANG
9 MICHAEL LETO
10 SAMUEL LAVANDER
11 DAVID LOPEZ
12 ALEXANDRA LOTTY
13 JOHN ANDREW MARCIN
14 KYLE MASON
15 AKIKO MATSUDA
16 MICHELE MEISES
17 PABLO MIELGO
18 PAUL MUSSER
19 JOHN NGUYEN
20 DENNIS C. O'DONNELL
21 DAVID OSOJNIK
22 KENNETH L. PERKINS
23 ARIANNA PRETTO-SAKMANN
24 GREGORY RAAB
25 CRAIG V. RASILE

1 MOHIT RATHI
2 PHILIP RIES
3 ANDRES FELIPE SAENZ
4 BILL SCHATZ
5 THERESE SCHEUER
6 JOE SCIAMETTA
7 IAN SILVERBRAND
8 KUNALKUMAR SOMANI
9 MARK STANCIL
10 DAVID STAUFFER
11 BENJAMIN STEELE
12 GREGG STEINMAN
13 ANDREW SULLIVAN
14 VINCE SULLIVAN
15 ANDREW SWIFT
16 BRENDAN TELZROW
17 DUSTIN THAYER
18 KATE THOMAS
19 BRIAN TICHENOR
20 MARIANNA UDEM
21 WILLIAM MATTHEW UPTEGROVE
22 MEGHANA VUNNAMADALA
23 RICHARD RONALD WESTON
24 CHARLES WANG
25 JACK WESTNER

1 BRANDON WILLIAMS

2 PAUL WIRTZ

3 KATHRYN WITCHGER

4 JESSICA WOOL

5 SARAH WYNN

6 LILY YARBOROUGH

7 DOMINIK ZYNIS

8 BENJAMIN HIRSCH

9 OXANA KOZLOV

10 GEORGE LANDEGGER

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1 P R O C E E D I N G S

2 THE COURT: In the United States District Court
3 for the Southern District of New York and we're here this
4 afternoon for Genesis Global Holdco, LLC, et al, Debtors in
5 this jointly administered Chapter 11 case and we're here for
6 a status conference on a few issues that came up at the
7 first day hearing.

8 This is not the second day hearing, just for those
9 of you joining at home. The second day hearing is when you
10 revisit all of the motions that were addressed in the first
11 day hearing and follow up to seek final orders and discuss
12 other things.

13 This I think was a status conference to allow us
14 to have discussions on a few issues that we thought it would
15 be productive to sort of almost have an interim discussion
16 between the first day and the second day hearings.

17 And so, with that, let me get appearances starting
18 with the Debtors.

19 MR. O'NEAL: Good afternoon, Your Honor. It's
20 Sean O'Neal, Cleary Gottlieb Steen & Hamilton, on behalf of
21 the Debtors, and I'm here with my colleague, Jane VanLare.

22 THE COURT: All right, good afternoon. And let me
23 get any appearances from any other parties.

24 MR. ROSEN: Your Honor, this is Brian Rosen,
25 Proskauer Rose. I'm here with my partner, Vincent

1 Indelicato. We're representing an ad hoc group of lenders
2 to GGC.

3 THE COURT: All right, good afternoon.

4 MR. ROSEN: Good afternoon.

5 THE COURT: Other appearances?

6 MR. SAFERSTEIN: Good afternoon. Can you hear me
7 okay?

8 THE COURT: Yeah.

9 MR. SAFERSTEIN: Jeffrey Saferstein from Weil,
10 Gotshal & Manges, on behalf of Digital Currency Group.

11 THE COURT: All right, good afternoon.

12 MR. FIEDLER: Your Honor, Rob Fiedler of Kirkland
13 & Ellis, on behalf of an ad hoc group of creditors of GGC.
14 I'm also joined by my partner, Chris Marcus.

15 THE COURT: All right, good afternoon. Next up?

16 MR. FRELINGHUYSEN: Good afternoon, Your Honor.
17 Anson B. Frelinghuysen, Hughes Hubbard Reed, for Gemini
18 Trust Company, LLC, acting capacity as agent on behalf of
19 the Gemini lenders.

20 THE COURT: All right, good afternoon.

21 MR. FRELINGHUYSEN: I'm also joined by some of my
22 colleagues.

23 THE COURT: All right. Any other appearances?

24 MR. ZIPES: Your Honor, Greg Zipes with the U.S.
25 Trustee's Office. I'm on the phone with some colleagues.

1 THE COURT: All right. Good afternoon to you as
2 well. Anyone else? All right.

3 So I think we had a couple of things we were going
4 to discuss. I think we were going to chat about cash
5 management and also chat about the redaction issue that came
6 up the first time we got together.

7 Before we get to all those, I did have one thing
8 that I wanted to mention on my own. We'd gotten a couple of
9 calls about people who had some difficulty getting on Zoom
10 where they had registered, I guess a week ago, and they
11 didn't get a link. We all know the challenges that
12 technology can provide to us in this COVID era and that all
13 the wonderful things like Zoom that when they work are
14 almost like magic, but when they don't work feel a lot less
15 magical.

16 So, first of all, anybody who's on the Zoom one
17 way or another who's had this kind of issues and persevered,
18 thank you very much for your patience and good humor.

19 The reason why I mention this all is just to say
20 we're looking into it to see what may -- because we got a
21 number of calls, which made me think that this is not a one
22 off for one individual. So we're going to look to see what
23 may have not worked.

24 But the other thing is, I did know that in
25 something like the Purdue case, that oftentimes -- that what

1 the debtors have done is include a phone number with notices
2 as well that allows people to essentially always use that
3 phone number to dial in if for some reason something else
4 happens and they have trouble, and it might be worth
5 adopting that here just because I think at last check, I
6 think we had 156 participants for today's hearing and I
7 think we had more than that for the last hearing.

8 So I throw that as a possible suggestion for the
9 sanity of all people who may want to dial in and don't want
10 to have to spend their life trying to overcome any technical
11 challenges. Again, we hope that there are no technical
12 challenges, but optionality is not a bad thing. So I'd ask
13 if the Debtors could take a look at that and see what you
14 can come up with. And just, again, we're always trying to
15 build a better widget, so to speak, here in the courthouse.

16 So with that, I will turn it over to Debtor's
17 counsel to start us off.

18 MR. O'NEAL: Thank you, Your Honor. And I believe
19 we're actually going to kick the cash management and
20 redaction issues over to the second day hearing. And so, I
21 think today's status conference is more about -- you'll
22 recall that at the first day hearing that we had mentioned
23 that we may be requesting a mediator.

24 THE COURT: Right.

25 MR. O'NEAL: And we were having productive

1 discussions with respect to a consensual resolution. And
2 with Your Honor's permission, I'd like to focus on that at
3 today's status conference.

4 THE COURT: That will be perfectly fine. Again,
5 the whole point of the conference is to help parties make
6 progress in the case, so take it away.

7 MR. O'NEAL: Thank you. Well, to that end, it
8 certainly helps, so thank you for doing that, Your Honor.
9 We appreciate your scheduling this status conference. It
10 was originally scheduled for last week and then we moved it
11 to this week in light of the ongoing discussions.

12 And so, what I'd like to do with Your Honor's
13 permission is to give you an update on the kind of
14 discussions we've been having with our ad hoc group of
15 creditors and there are two ad hoc groups of creditors, so
16 I'd like to talk to you a little bit about that, and also
17 our discussion with DCG, who is our corporate parent and
18 also our largest borrower that owes us approximately \$1.7
19 billion.

20 And so, I think I'll just start by saying I'm
21 pleased to report that we've used our time extremely well
22 over the past two weeks. I told Your Honor during the first
23 hearing that I was optimistic that we could reach a deal,
24 and I'm pleased to say today that have reached an agreement
25 in principle, subject to definitive documentation.

1 That agreement in principle involves ad hoc groups
2 representing over \$2 billion in claims against GGC; that's
3 one of the debtors.

4 There's somebody just -- maybe just to pause a
5 moment here, Your Honor. I think somebody might be typing
6 loudly and it's not me and it may be distracting for folks.

7 THE COURT: All right, we'll take care of that
8 problem.

9 MR. O'NEAL: Okay, thank you. So continuing, we
10 have an agreement in principle. The parties to that
11 agreement in principle are DCG, our corporate parent and
12 largest borrower, an ad hoc group or two ad hoc groups,
13 including those representing approximately or more than \$2
14 billion in claims against GGC. And then also, Gemini Trust
15 Company, which is the agent for various Gemini lenders under
16 the Gemini concern program.

17 We are working to finalize the term sheet. We've
18 made significant progress and I hope that we're able to file
19 that term sheet with the court in short order, perhaps as
20 early as tomorrow or even tonight.

21 The proposed settlement or the proposed term sheet
22 really sets out a framework of a plan of reorganization, as
23 well as the sale and marketing process, much like the plan
24 that we had proposed on the first day of the case. What we
25 will hope to do is we will continue to negotiate that and we

1 will actually sign a plan support agreement among all of the
2 constituencies. We'll run a sales and marketing process,
3 just as we had contemplated, and then we'll also have a
4 backup or alternative in equitization in the event that's
5 where we choose to go.

6 Importantly, I'd like to describe a few of the
7 salient terms of the framework.

8 THE COURT: So let me ask you, obviously, I'm not
9 opposed to getting that kind of information so long as it
10 doesn't trample on any Rule 408 issues. And for those who
11 don't have their Federal Rules of Evidence handy, that's the
12 rule that talks about keeping settlement conversations
13 confidential.

14 And so, that's -- it sounds like you have an
15 agreement in principle subject to documentation, so I'll
16 leave it to you as to whether you have any 408 issues or not
17 or whether you want to take, even if you don't think you do,
18 whether you want to take the cautious route or not. So
19 what's your thinking about that?

20 MR. O'NEAL: Sure, Your Honor. I do have
21 authority to describe the principle terms of the deal in
22 principle among the parties to the deal in principle.

23 THE COURT: All right.

24 MR. O'NEAL: So I believe that I can continue, but
25 I will pause for a moment to see if anybody objects to my

1 continuing.

2 MR. ROSEN: Your Honor, this is Brian Rosen from
3 Proskauer Rose. We actually would appreciate if Mr. O'Neal
4 did continue with the salient terms as members of the group
5 would like it to be publicly known what is being discussed.

6 THE COURT: All right, that's fair enough. If it
7 can serve that benefit, that's great; that's the other part
8 of the equation.

9 MR. ROSEN: Thank you, sir.

10 THE COURT: All right. Anybody else wish to be
11 heard in just an abundance of caution? All right. Hearing
12 no other party, Mr. O'Neal, please continue.

13 MR. O'NEAL: Sure, and thank you for asking that
14 question, Your Honor. We appreciate it and certainly want
15 to follow the right process.

16 And one of the things that we've been doing, and
17 really a hallmark of our case, is not only trying to reach
18 kind of an agreement and to approach this as a consensual
19 matter, but also to be transparent and to let the parties
20 know exactly where we stand, and that's part of what we're
21 doing today.

22 Under the plan, DCG is going to -- and you'll
23 note, Your Honor, that I'm actually reading a summary
24 because the summary has been approved.

25 THE COURT: Yeah, no, that's entirely appropriate

1 and fitting under these circumstances, yes.

2 MR. O'NEAL: Perfect. So under this plan, DCG is
3 going to contribute to Genesis Global Holdco, that's the
4 parent and the lead debtor in this case, on the effective
5 date of our plan, all of the equity interest in Genesis
6 Global Trading, Inc., that's called GGT. GGT, as you may
7 remember from our first day hearing, is a sister company to
8 GGH. So like GGH, GGT is owned by DCG. So under the
9 settlement, DCG would contribute that entity, GGT, to GGH.
10 That will allow us -- and that will happen on the effective
11 date of the plan.

12 In the meantime during these cases, we will
13 actually be marketing and trying to sell not only the
14 Debtor's assets, but also GGTs because they formed a nice
15 package and we believe that by packaging them together, we
16 can maximize the recoveries to the estate.

17 The proposed settlement, importantly, the
18 restructure of the debt that DCG (indiscernible), both the
19 \$600 million prepetition loans that are due in May 2023 --
20 we call those the DCG loans -- and then also the \$1.1
21 billion principal -- well, \$1 billion in principal under a
22 promissory note that is actually due in 2032; we call that
23 the DCG note.

24 In satisfactions under the DCG loans, DCG will
25 issue a new second lien term loan facility. That facility

1 will mature in June of 2024. There will be two tranches
2 under this term loan: tranche one will be denominated in
3 U.S. dollars and pay 11.5 percent interest, and tranche two
4 will be denominated in Bitcoin and pay a 5 percent interest.

5 DCG will receive a credit in the form of a
6 reduction in the principal amount of tranche one based on
7 the value of stock to GGT and other non-debtor
8 (indiscernible) to the extent those are sold as part of the
9 process. Those term loans will be roughly equal to around
10 \$500 million.

11 In addition, in satisfaction of its obligations
12 under the DCG note, DCG has agreed to issue a class of
13 convertible preferred stock, so convertible preferred stock,
14 and that's going to convert into common equity in DCG or a
15 subsidiary of DCG if it's mutually agreed by the parties.

16 In connection with the issuance -- and this is
17 where it gets a little complicated and we're still working
18 on the details of this, Your Honor. But in connection with
19 the issuance of the preferred stock, DCG will use mutually
20 reasonable efforts to list the equity of DCG or an agreed
21 upon subsidiary by no later than February 15th,
22 (indiscernible). The parties are continuing to negotiate in
23 good faith exactly which exchange would be used for that
24 listing, and that'll be the subject of ongoing discussions.

25 The value of the preferred stock for purchase of

1 conversion will trade at a rate of 10 percent from September
2 30th, 2023. If DCG fails to meet the listing requirement by
3 the June 30th, (indiscernible) deadline, holders of the
4 proposed stock will also be entitled to cash dividends at a
5 rate of 10.5 percent per annum, and that rate will increase
6 by an additional 1 percent every six months after December
7 31st, 2027 until the listing (indiscernible) met or the
8 preferred stock has been repurchased or the (indiscernible)
9 by DCG.

10 DCG reserves the right to redeem the preferred
11 stock with cash, subject to certain agreed upon blackout
12 periods, and the preferred stock will mandatorily convert on
13 December 31st, 2027. To the extent that DCG has listed,
14 they are satisfied the listing was brought.

15 Now we're still working on some of the mechanics
16 and the timing with respect to the redemption and with
17 respect to the conversion and those will be points that are
18 going to be more clearly addressed in the (indiscernible).

19 I should also note that in addition, DCG will be
20 contributing additional value. DCG will contribute the
21 first \$25 million in recoveries from the Three Arrows
22 Capital proceeding that are going on right now in the BVI,
23 as well as certain NEAR and AVAX tokens that are currently
24 part of the collateral for the gap loan to the Three Arrows
25 Capital. And DCG will also contribute any tax recoveries,

1 that is Three Arrows capital recoveries, in excess of 25
2 million, provided that DCG will receive credit for such
3 access recoveries in the form of a dollar-for-dollar
4 reduction in the amount of the outstanding preferred stock.

5 With respect to Gemini -- and we're heading down
6 the home stretch here, Your Honor. With respect to Gemini,
7 in consideration for approving the release under the
8 debtor's amended plan, Gemini has agreed to the following in
9 contributions.

10 Number one, Gemini will make a cash contribution
11 in the amount of up to \$100 million for the pro rata benefit
12 of Gemini lenders that opt into a third-party release of
13 their direct claim.

14 And Gemini will also distribute the value of
15 certain collateral that was purportedly foreclosed upon
16 prior to the petition date, and that collateral that is
17 currently held by Gemini will be distributed to the Gemini
18 lenders and the value of that collateral, as of the petition
19 date, will be applied to reduce the amount of the Gemini
20 members' claims against GGC as of the petition date.

21 And Gemini will also agree to provide releases and
22 other -- to all the released parties, including the debtors
23 in DCG under the amended plan.

24 And Gemini is also going to help with the
25 distributions. Under the plan, Gemini is the agent, so they

1 will serve in that role as well.

2 There are customary releases as part of the
3 settlement in principle. However, there will be some
4 limitations with respect to the release of avoidance actions
5 and similar actions, other than those against DCG. The DCG
6 avoidance actions will be released as part of the plan. And
7 a creditor can obtain a release from the debtors in respect
8 of avoidance actions or similar actions if that creditor
9 elects to opt into consensual third-party releases of its
10 direct claim against the released parties and if each class
11 of unsecured claims against GGC votes to accept the plan.

12 So there is a release of avoidance claims in
13 certain circumstances, including if the class of unsecured
14 creditors vote to accept the plan. The released parties
15 include the Debtors, DCG, Gemini, and Debtor's subsidiaries
16 of GGH.

17 And importantly, just in case Mr. Zipes is
18 listening closely, there are no non-consensual third-party
19 releases under this plan.

20 The special committee will continue its
21 investigation as part of its exercise of fiduciary duties,
22 as Your Honor will recall from the first day hearing, that
23 the special committee is leading an investigation into
24 certain prepetition transactions. And to the leases that
25 are contemplated under the plan that I just described,

1 they're going to be subject to the completion of that
2 investigation. And the Debtors obviously maintain their
3 flexibility to exercise its fiduciary help as necessary.

4 At this point, the settlement does not address gap
5 creditor claims. That will be something that we work on
6 over the next few weeks. We will be addressing gap creditor
7 claims, but we were not able to do that in the time that we
8 have.

9 And as I noted, we're still working on a few of
10 the mechanical issues, but we have reached an agreement in
11 principle on the terms that I have just described, and we do
12 hope, Your Honor, that we will be in position to file a term
13 sheet that describes this dealing in short order. And then
14 we'll work immediately to pull to get their plan support
15 agreement and to continue to work, pulling together amended
16 plan documents and proceeding through what we hope is a
17 rather accelerated and efficient Chapter 11 process.

18 THE COURT: All right. Thank you very much for
19 the update. It's comprehensive and it does serve the
20 purpose of getting the word out to folks who are
21 participating in today's hearing.

22 So let me ask if there's any party that wishes to
23 augment/correct/amend any of what Mr. O'Neal has set forth.
24 It seems unlikely given that he's reading from a very
25 carefully drafted document, but I want to give folks the

1 opportunity. Anybody who wishes to be heard?

2 MR. ROSEN: Your Honor, again, this is Brian Rosen
3 from Proskauer Rose, if I may have a moment.

4 THE COURT: Sure.

5 MR. ROSEN: Thank you, sir. Yes, Your Honor, as I
6 mentioned at the first day hearing, we represent a group of
7 creditors holding approximately \$1.6 billion worth of claims
8 against GGC. It is not just a single type of claim, it's a
9 cross-section, many of whom are parties to something called
10 master loan agreements and there are a few other different
11 types in there, Your Honor.

12 We have been actively engaged in this process,
13 along with the other ad hoc group, to essentially represent
14 the interests of all unsecured creditors at GGC, and we
15 believe that the understanding that has been discussed by
16 Mr. O'Neal really provides a significant recovery and
17 something hopefully that we'll be able to achieve in a
18 timely manner because that is what is most important for the
19 unsecured creditors: to get back whatever they can as soon
20 as they can in whatever currency we're able to do that,
21 whether it is in cash or whether it is in kind, which is
22 something that has been the focal point of many of the
23 conversations.

24 I would like to point out, Your Honor, that unlike
25 many other agreements that might be reached on an either

1 prepetition or immediately post-petition basis that would
2 give rise to a plan support agreement, the parties that have
3 been negotiating this process, and it would be signatories
4 to a plan support agreement, are not going to be getting any
5 additional benefits for parties other than meaning with
6 respect to those who do not execute something. There are no
7 consummation costs, there are no fees.

8 This is something that is being done solely for
9 the benefit of all creditors and we're looking to do this
10 and bring this forward as soon as possible, as I said, Your
11 Honor, in the form of a plan support agreement.

12 So I have nothing more to augment because I
13 believe Mr. O'Neal has been very complete and, as you noted,
14 he read from the script that has been approved by all
15 parties, but we just wanted you to know that no one else is
16 getting any additional benefits out of this process. It's
17 for the benefit of all parties.

18 THE COURT: All right. That's very good to know.
19 I appreciate that kind of information because that's
20 significant and thank you for that.

21 Any other party that wishes to be heard?

22 MR. ZIPES: Your Honor, Greg Zipes with the U.S.
23 Trustee's Office. We have not been involved with the
24 negotiations obviously, but I did want to let the Court know
25 that we appointed an official committee of unsecured

1 creditors on Friday, and it's my understanding that they are
2 still in the selection phase for selecting professionals.
3 They obviously will have an interest in the settlement here,
4 and I'm sure the parties will work with them.

5 I'll note that some of the creditors put on the
6 committee are part of the ad hoc groups as well, so there's
7 an overlap in that regard, but the official committee will
8 certainly have entrust them and reviewing everything.

9 THE COURT: All right. Thank you for that. I did
10 see on the docket the notice of the appointment of a
11 committee, so it's good to know. And while our date for a
12 second day hearing is a little different than it might have
13 otherwise been, perhaps it's actually useful given the
14 developments and given the very recent appointment of the
15 committee, so that actually might not work out too badly.

16 Any other party that wishes to be heard?

17 MR. FRELINGHUYSEN: Good afternoon. This is Anson
18 B. Frelinghuysen, Hughes Hubbard Reed, counsel for Gemini
19 Trust Company, LLC, also on behalf of Gemini Lenders.

20 Just a minute to express our gratitude to the
21 Debtors and the other parties in the negotiations over the
22 past several weeks. The nearly agreed term sheet proposed
23 to the plan of reorganization that benefits all Gemini's
24 players, in addition to the path for substantial recovery
25 for the over 340,000 Gemini Earn users, whose assets have

1 been stuck since November 16, 2022.

2 Gemini views this as a critical step towards
3 undoing the harm to Gemini users suffered over the past few
4 months, and Gemini recognizes it is not the end of the road
5 and remains committed to doing everything possible to bring
6 the Earn users as high a recovery as possible.

7 To that end, as Mr. O'Neal mentioned, Gemini is
8 committed to contributing \$100 million to the proposed plan
9 for distribution to Gemini Earn users. Gemini founders,
10 Cameron and Tyler Winklevoss, agree and it's because they
11 believe in the Debtor's reorganization and the Gemini
12 platform and they want to do the right thing for their
13 users.

14 Like everybody else on the line, we have been
15 working around the clock with the Debtor's principals and
16 with the professionals to get this through and it could not
17 have been done without the cooperation and professionalism
18 of all the other parties to the agreement. And, of course,
19 there's much more work to be done. Gemini's confident that
20 with the Court supervision, the real path presented today
21 will get us prompt exit from Chapter 11.

22 Gemini also would like to thank all of its Earn
23 users who put their trust in the Gemini team during this
24 challenging time and it will commit to keeping their best
25 interest in mind and at the center of everything we do.

1 Thank you.

2 THE COURT: All right. Thank you very much for
3 that. Let me ask if there's another party, any other party
4 who wishes to be heard?

5 MR. FIEDLER: Your Honor, again for the record,
6 Ross Fiedler of Kirkland & Ellis on behalf of an ad hoc
7 group of creditors of GGC.

8 As my colleague, Mr. Marcus, mentioned at the
9 first day hearing, we represent over \$1.5 billion of claims
10 at GCC, and I'll simply confirm what Mr. O'Neal outlined and
11 what Mr. Rosen iterated, which is our group is largely
12 supportive of the commercial deal. Obviously, that remains
13 subject to definitive documentation and our members internal
14 approvals.

15 But we do believe that the terms laid out by Mr.
16 O'Neal establish a framework for a consensual structuring
17 that will benefit all unsecured creditors, and we look
18 forward to pushing full steam ahead on memorializing the
19 terms through a revised plan and plan support agreement as
20 expeditiously as possible.

21 And lastly, I'd just like to thank and commend Mr.
22 O'Neal and his team and the other advisors and principals on
23 the call for getting us to the point we are at today. There
24 is obviously a lot of work left on the documentation side,
25 but substantial progress has been made and we look forward

1 to continuing momentum. Thank you.

2 THE COURT: All right. Thank you for those
3 comments. Any other party that wishes to be heard?

4 MR. O'NEAL: Your Honor, Sean O'Neal again. If
5 you don't mind, just a few words.

6 THE COURT: Certainly, go ahead. I didn't hear
7 from any other party, so I think we may have heard from
8 everybody in the virtual room that wishes to be heard on
9 this, so it's appropriate to go back to you.

10 MR. O'NEAL: Certainly. Thank you, Your Honor. I
11 do want to acknowledge the very hard work that all of the
12 professionals for the ad hoc group and for Gemini and DCG
13 have been engaged with over the past three and a half
14 months. We've only been in this case for two weeks, but
15 this has been quite a long time coming in terms of the work,
16 intensely collaborative and greatly appreciated and we'll
17 continue that collaborative approach and that transparent
18 approach and we thank the creditors for their support.

19 I did want to note, and I'm glad that Mr. Zipes
20 mentioned, that the creditors' committee has been appointed.
21 We very much look forward to working with the creditors'
22 committee. In the term sheet that we have that we hope to
23 be finetuned, we've already included all sorts of
24 consultation and other rights with the creditors' committee.
25 We'll be working hand in hand with the creditors' committee

1 and we look forward to meeting with them as soon as they're
2 ready.

3 Other than that, Your Honor, we have nothing
4 further to say and just thank you again for your time in
5 giving us this platform to have the opportunity to inform
6 the Court and all parties in interest of the deal in
7 principal that has been reached, so we can further our goal
8 of transparency and having a consensual restructure, so
9 thank you, Your Honor.

10 THE COURT: All right. Well, it's my pleasure. I
11 appreciate what is a very positive update that reflects a
12 tremendous amount of hard work, time and effort and goodwill
13 among parties, which you all know, these cases bankruptcy
14 works much better when people communicate and save the
15 fights for issues that have to be fought over, and so, this
16 represents a tremendous step forward obviously. I
17 appreciate the update.

18 So let me just end by asking, I know we have a
19 date for a second day hearing with all the traditional
20 issues that'll come along with that. Is there anything else
21 that you can think of that you might need today, whether
22 it's a date beyond the second day hearing or anything else
23 for that matter in terms of moving the case forward?

24 MR. O'NEAL: I think I will defer to my colleague,
25 Miss VanLare, to see if there's anything that she would

1 (sound drops) .

2 MS. VANLARE: Good afternoon, Your Honor. Jane
3 VanLare of Clearly Gottlieb Steen & Hamilton. I don't
4 believe there's anything right now, but we will be reaching
5 out to your chambers to discuss scheduling subsequent
6 hearings into March, but I think for now, we are all set.

7 THE COURT: All right. Obviously, I see banks is
8 happy to hear from folks and you're in very competent hands
9 when you talk to her about scheduling and so, we'll wait for
10 those calls.

11 And in the meantime, let me ask if anybody else
12 needs to be heard on any other issues today before we
13 adjourn?

14 MR. ZIPES: Your Honor, Greg Zipes with the U.S.
15 Trustee's Office on scheduling. There may be issues, and
16 I'll label them as discreet issues at my office sometimes
17 weighs in on, and we'll work it out with Cleary to the
18 extent matters need to be put before the Court. They may or
19 may not track the second day hearing. There may be a need
20 to put them on for the second day, but it may be possible to
21 put them on separately as well to the extent we can't work
22 them out, so I just wanted to let the Court know that.

23 And also just in connection with the RSA that's
24 being discussed, my office would like some notice if the
25 parties do intend to file that. We typically would want to

1 see RSAs folded into plans and not separately approved and I
2 don't know if that's the parties' intention at the moment.
3 It actually doesn't need to be addressed at the moment, but
4 we're just flagging that as an issue right now.

5 MR. O'NEAL: Mr. Zipes --

6 THE COURT: Go ahead, Mr. O'Neal.

7 MR. O'NEAL: I'm sorry, Your Honor. Yeah, I'm
8 happy to respond to that, Mr. Zipes and Your Honor. We do
9 not have any intentions to seek approval of the RSA, that'll
10 be part and parcel of a plan, but we will file the RSA so
11 there is transparency.

12 THE COURT: All right. Yeah, that's consistent
13 with what my understanding was, but that's fine. And
14 obviously, we'll get together and see where we are on the
15 second day hearing and whether there's detail to that in
16 terms of other issues that we need to address in the
17 fullness of time.

18 And again, I'll just ask the Debtors to take a
19 look at this notion of having a call-in number just for
20 folks for ease of access.

21 But with that, I don't have anything else, and
22 again, I appreciate all the hard work. Thank you for the
23 update and I'll wish you all a very good evening and see you
24 all soon.

25 MR. O'NEAL: Thank you, Your Honor.

1 THE COURT: Thank you.
2 (Whereupon these proceedings were concluded at
3 5:13 PM)
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C E R T I F I C A T I O N

I, Sonya Ledanski Hyde, certified that the foregoing
transcript is a true and accurate record of the proceedings.



Sonya Ledanski Hyde

Veritext Legal Solutions

330 Old Country Road

Suite 300

Mineola, NY 11501

Date: